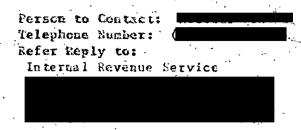
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Date: AUG 27 1991

Dear Applicant:

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code.

The infermation submitted discloses that you were incorporated on under the compressit corporation laws of the State of

The following statement appears in your Articles of Incorporation:

The general objects and purposes of this corporation are to promote economic development and the general welfare to the business, professional and community interests of the inhabitants of the community and the territory surrounding the community, within or outside of the community and the community purpose of conserving, improving, developing, promoting, advancing and expanding existing industrial, commercial and professional enterprises in

According to your Application Form 1024, the sole activity of your organization is to purchase undeveloped land in your community, make arrangements for water, sever and street facilities and then sell residential building lots to the general public. No preference will be given to low or moderate income groups. The following statements appeared in your application.

Due to the reversal of the real estate development market in the mid 80 s, no individual developer was willing to accept the risks of this project. Funds will be solicited for the purchase of the real estate and the additional necessary funds will be borrowed, with the lots being sold on a "cost" basis.

"cost" basis.

will be responsible for acquisition, development and subsequent sale of the real estate.

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Code	Initiator	Reviewer	Reviewer	Reviewer		Reviewer	Reviewer	Reviewer
Surname	Mary Survey of the	"not	in the second		P., 3	では、 一年の日本		
Date (1)	8/12/19	8-12-91	8/26/91	71 1.1	1. E. A.	Marie Marie Marie		

Substantially all your income is derived from the sale of residential building lots. Your primary expenses are the purchase and development of land. The members of your organization are your directors and officers.

Section 501(c)(6) of the Internal Revenue Code provides for exemption of "business leagues, chambers of commerce, real estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players), not organized for profit and no part of the net earnings of which incres to the benefit of any private shareholder or individual."

Section 1.501(c)(6)-1 of Income Tax Regulations reads as follows:

"EUSINESS LEAGUES, CHAMBERS OF COMMERCE, REAL ESTATE BOARDS AND BOARDS OF TRADE. A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit. It is an organization of the same general class as a chamber of commerce or board of trade. Thus, its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons. An organization whose purpose is to engage in a regular business of a kind ordinarily carried on for profit, even though the business is conducted on a cooperative basis or produces only sufficient income to be selfsustaining, is not a business league. An assocation engaged in turnishing information to prospective investors, to enable them to make sound investments, is not a business league, since its activities do not further any common business interest, even though all of its income is devoted to the purpose stated. A stock or commodity exchange is not a business league, a chamber of commerce, or a board of trade within the meaning of section 501(c)(6) and is not exempt from tax. Organizations otherwise exempt from tax under this section are taxable upon their unrelated business taxable income. See sections 511 to 515, inclusive and the regulations thereunder".

The applicable Income Tax Regulations provide that organizations contemplated by Section 501(c)(6) of the 1954 Code are those whose activities are directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individuals. Therefore, an organization which directs a substantial portion of its overall activities to the issuance of advertising material containing listings of the names of individuals may be precluded thereby from qualification for exemption under Section 501(c)(6) of the Code.

You do not qualify for exempt status under Section 501(c)(6) because your primary activity is to engage in a regular business of a kind ordinarily carried on for profit. The purchase, development and sale of residential real

code. In addition, you are not an association of persons having some common business interest nor are your activities directed at the improvement of business conditions of one or more lines of business.

If you do not agree with these conclusions, you may within 30 days from the date of this letter, file a brief of the facts, law and arguments (in duplicate) which clearly sets forth your position. In the event you desire an oral discussion of the issues, you should so indicate in your submission. A conference will be arranged in the Regional Office after you have submitted your brief to the Chicago District Office and we have had an opportunity to consider the brief and it appears that the conclusions reached are still unfavorable to you. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met. We have enclosed Publication 892, Exempt Organization Appeal Procedures for Adverse Determinations, which explains in detail your rights and procedures.

If we do not hear from you within 30 days from the date of this letter this determination will become final.

You are required to file Federal Income Tax Returns.

Please keep this determination letter in your permanent records.

If you agree with this determination please sign and return the enclosed Form 6018.

Very truly yours,

Enclosures: Tublication 892 Form 6018